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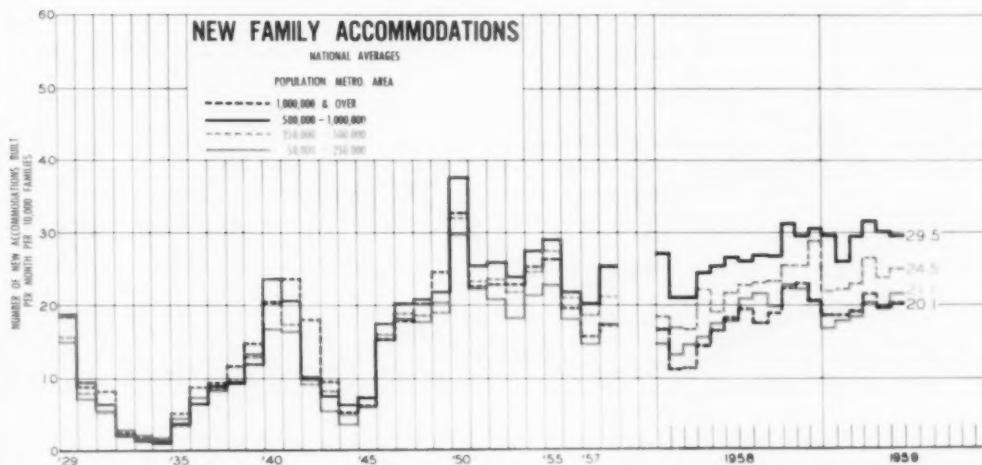
Real Estate Economists, Appraisers and Counselors

RESIDENTIAL CONSTRUCTION DURING THE FIRST HALF OF 1959

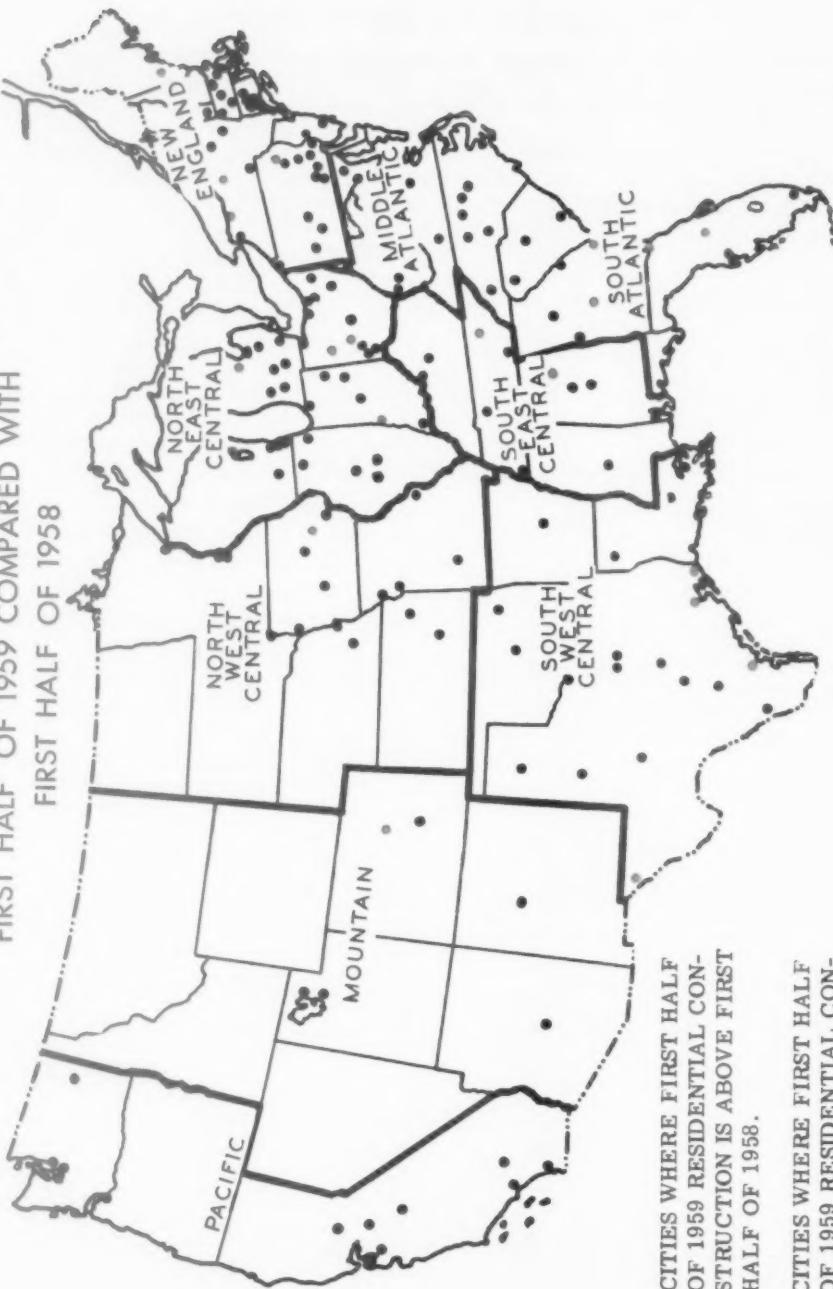
OUR survey of 168 metropolitan areas reveals that residential construction during the first half of 1959 has increased from the first half of 1958 in all but 23 areas. The chart below shows the average number of new accommodations per 10,000 families in metropolitan areas of different sizes. This chart shows that residential construction reached a peak in April in all of the metropolitan areas with populations greater than 250,000. Cities with less than 250,000 people have shown a slow, steady growth for the first half of the year.

Total nonfarm housing starts are 34 percent greater for the first half of this year than for the first half of last year. If we look at this increase in different ways, however, new developments in construction for this year come to light. On the last page of this bulletin is a table showing the increase in housing starts broken down between metropolitan and nonmetropolitan areas, between publicly and privately built housing starts, and between 1-family, 2-family, and multi-family housing starts.

(cont. on page 438)



CHANGES IN REPORTED VOLUME OF RESIDENTIAL CONSTRUCTION
FIRST HALF OF 1959 COMPARED WITH
FIRST HALF OF 1958



• CITIES WHERE FIRST HALF
OF 1959 RESIDENTIAL CON-
STRUCTION IS ABOVE FIRST
HALF OF 1958.

• CITIES WHERE FIRST HALF
OF 1959 RESIDENTIAL CON-
STRUCTION IS BELOW FIRST
HALF OF 1958.

EXPLANATION OF CHARTS

RESIDENTIAL building in all metropolitan areas of the United States as defined by the 1950 Census is charted on the following pages. The 168 areas include all areas in which the central city had a 1950 population of more than 50,000.

In each city all suburbs, incorporated and unincorporated areas, have been contacted and every effort has been made to make this report as complete as possible. In most cities it has been possible to include practically all of the suburbs within the metropolitan area. For example, the New York City and Northeastern New Jersey area figures include the building in 326 suburban communities; the Chicago area includes building in 174 suburban communities; Philadelphia, 198; Detroit, 110; Los Angeles, 61; and Cleveland, 65. In all, more than 2,300 communities are represented in these charts.

On the charts the figures are expressed as the number of new family units started per 10,000 families in each metropolitan area as indicated by building permits. In non-permit-issuing areas, we requested the tax clerk to report to us the number of dwelling units added to the tax roll each month. In this computation, a single-family dwelling counts 1, a 2-family dwelling counts 2, and a 24-family apartment counts 24. All public housing and war housing projects have been included, along with buildings that were privately built and financed.

The blue italicized numerals on each chart give the number of new family accommodations built in the last 3 months for which figures are available. These are actual figures and are not adjusted for the number of families. The red italicized numerals give the corresponding figures for the corresponding period of a year ago.

It should be noticed on the individual charts that separate averages (medians) have been used for four groupings of metropolitan areas. The average number of new family accommodations built per month per 10,000 families is shown from 1929 to the present for metropolitan areas having from 50,000 to 250,000 people (the solid red line); for areas having from 250,000 to 500,000 people (the beaded red line); for areas having from 500,000 to 1,000,000 people (the dash-dot line); and for those areas having a population of over 1,000,000 (the dashed red line). Ninety-one areas fall into the first category; 44 into the second; 19 into the third; and 14 into the fourth.

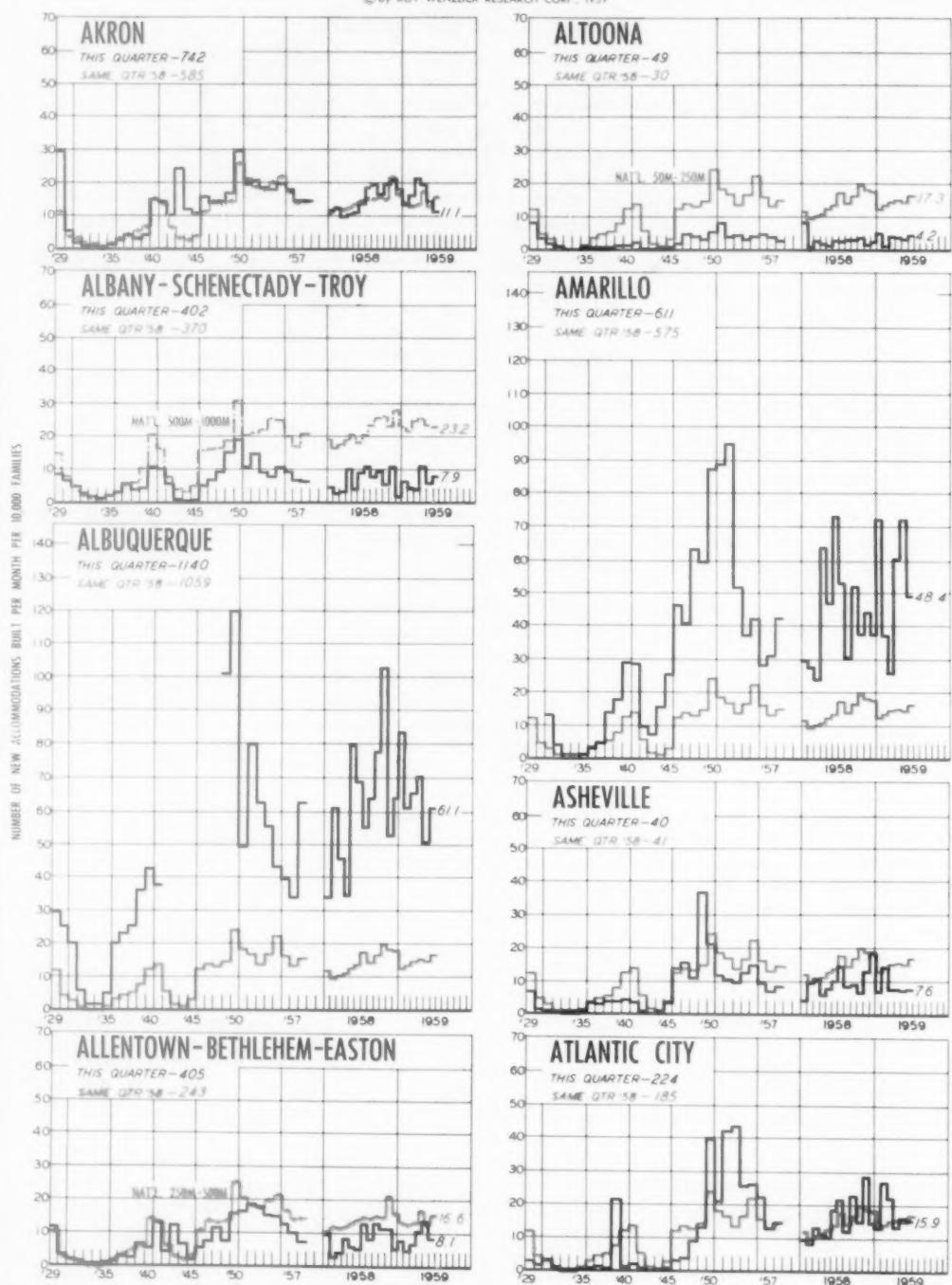
On each area chart is shown in red the national average for areas in its grouping in contrast to the blue line, which shows the figures for the specific area. The averages used on the area charts are medians. A median average is found by arranging the data in order of size and selecting the amount at the midpoint. Because a median average thus eliminates the influence of the two extremes, it gives a very good picture of the typical area in each group.

On the chart on the front page we have also shown national averages for each of the groupings of metropolitan areas: (1) 50,000 to 250,000 population; (2) 250,000 to 500,000 population; (3) 500,000 to 1,000,000 population; and (4) 1,000,000 population and over. These averages should more properly be called arithmetic means. An arithmetic mean is obtained by adding the amounts of all the items and then dividing by the number of items. It will be noticed that the arithmetic mean, being influenced by areas with a greatly accelerated rate of new building, is above the median average of each of the groupings. The arithmetic means are given for each grouping in order that a comparison of new building on a volume basis may be made.

We repeat, the chart on the front page shows the arithmetic mean of the construction rate in the different-sized areas. The red line on each of the individual charts shows the national average for the group in which each area belongs, making it possible to compare the rate in one area (blue line) with the average rate of all other areas of comparable size (red line).

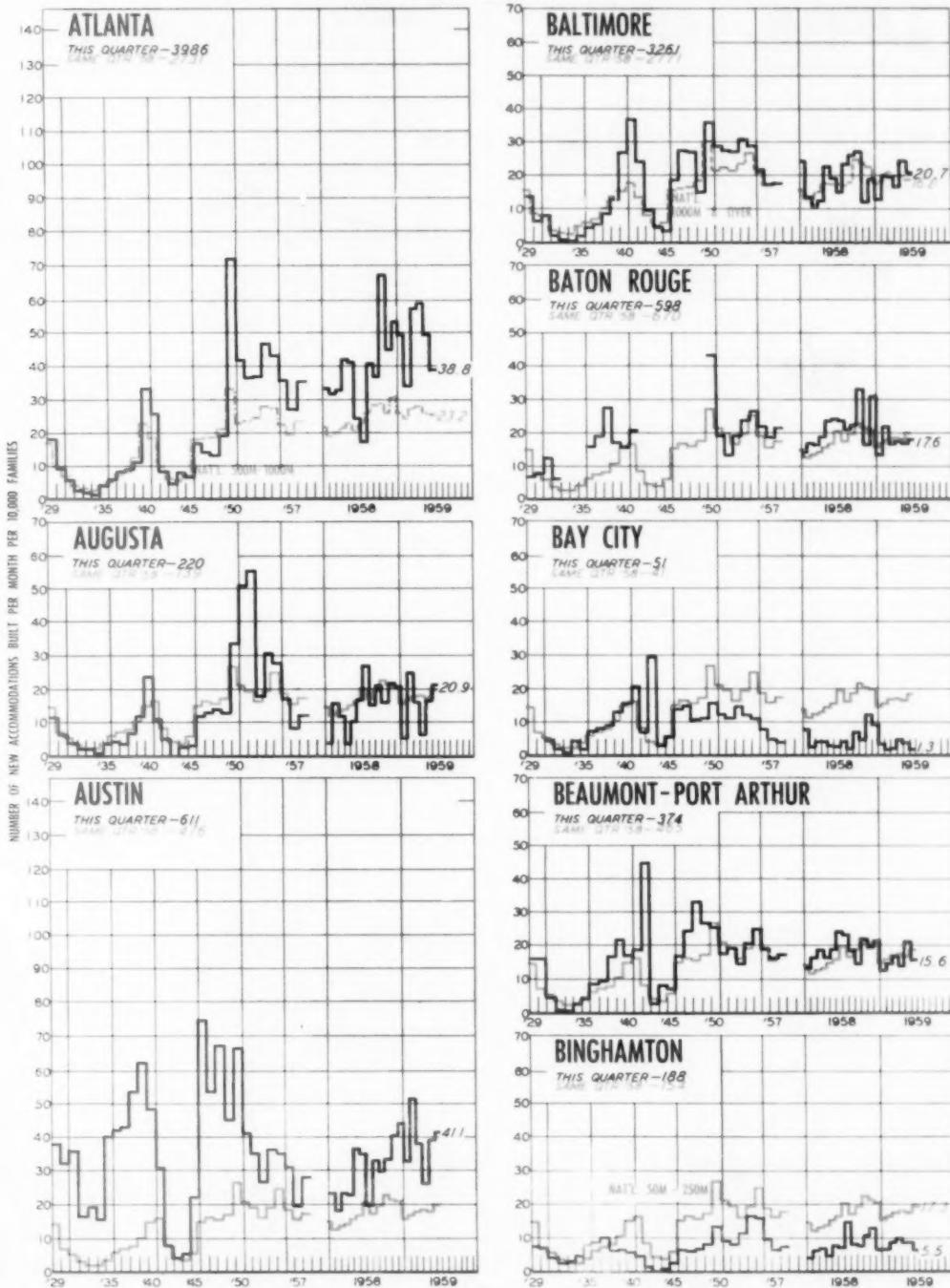
NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

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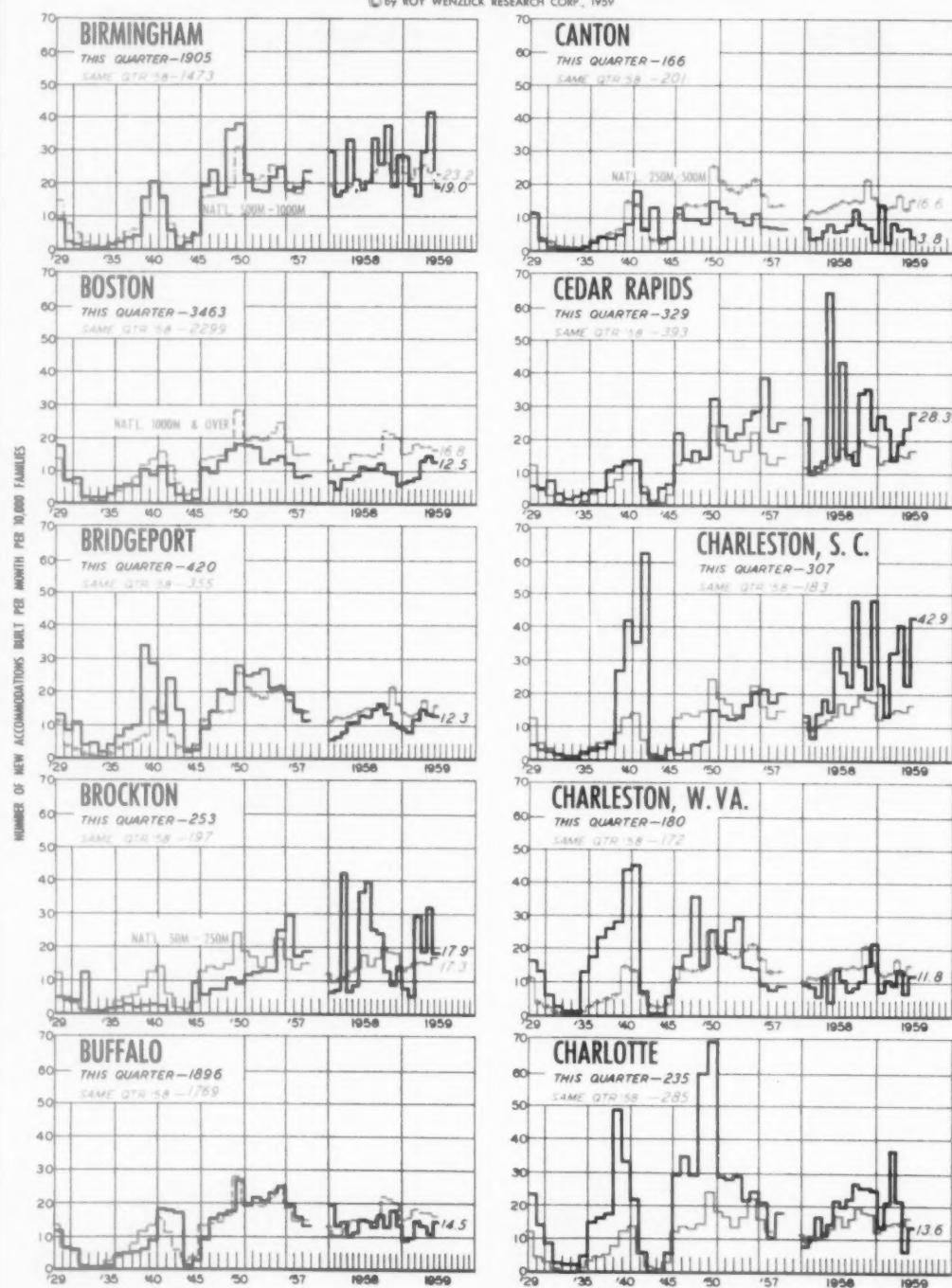
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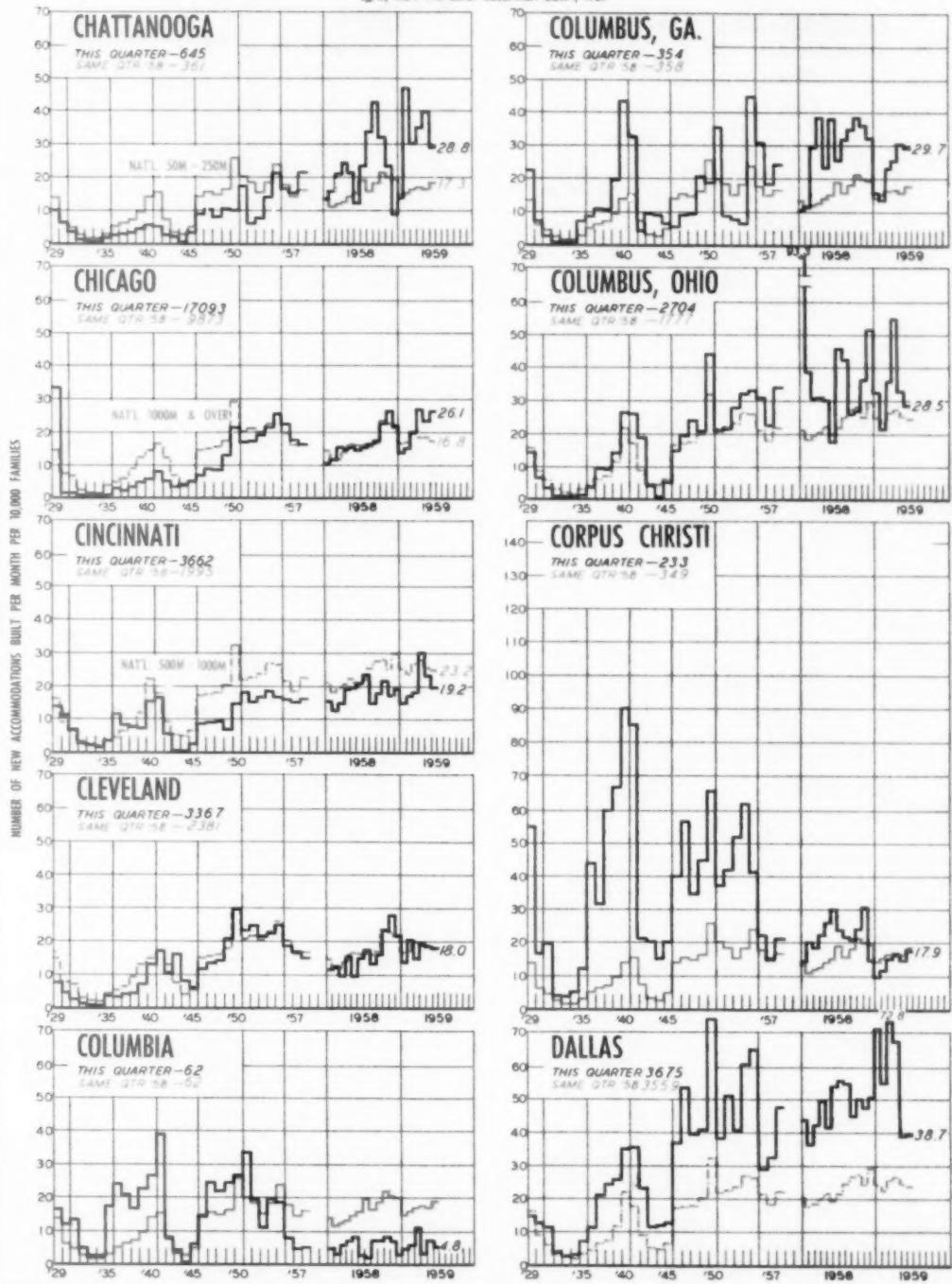
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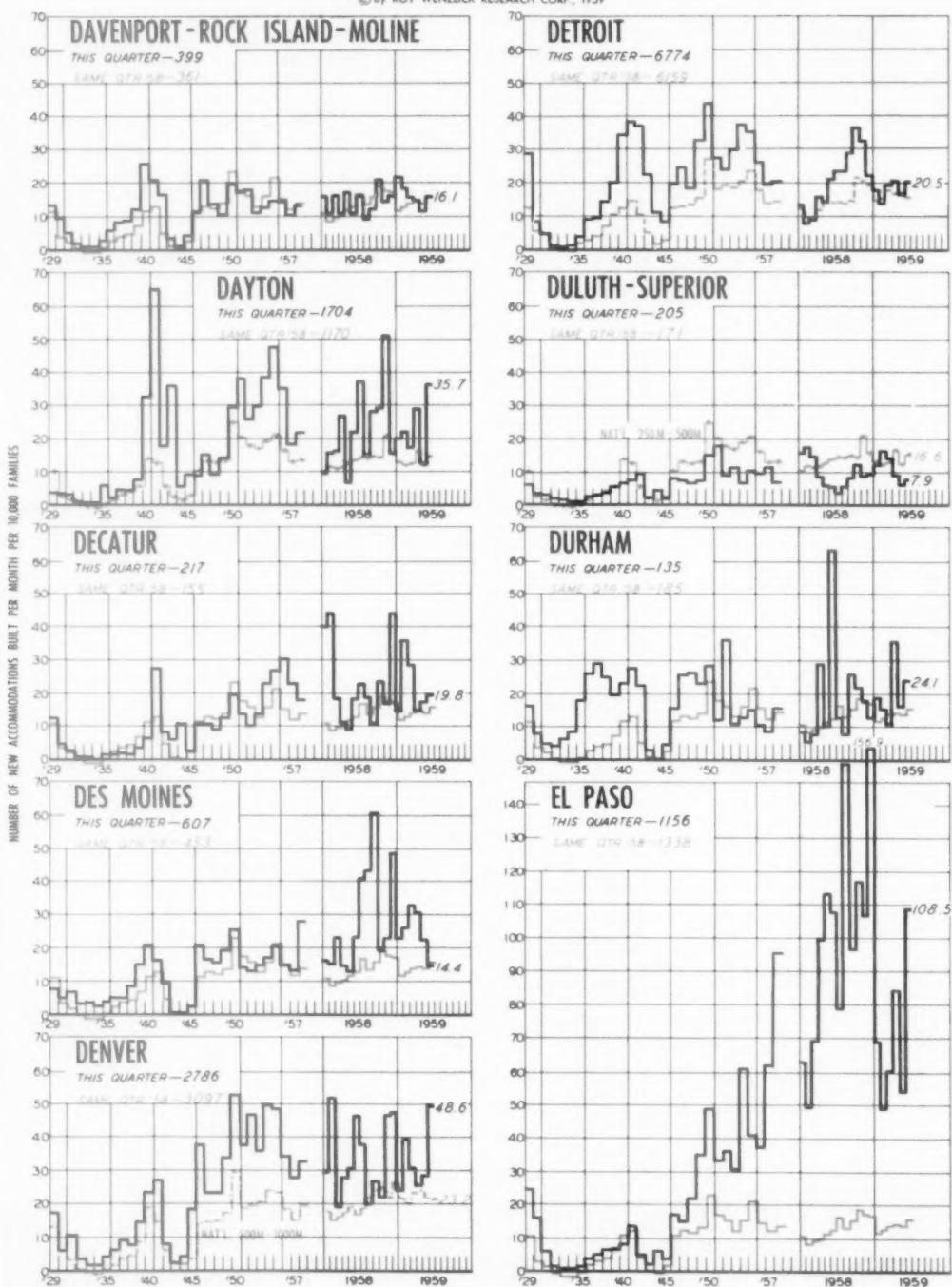
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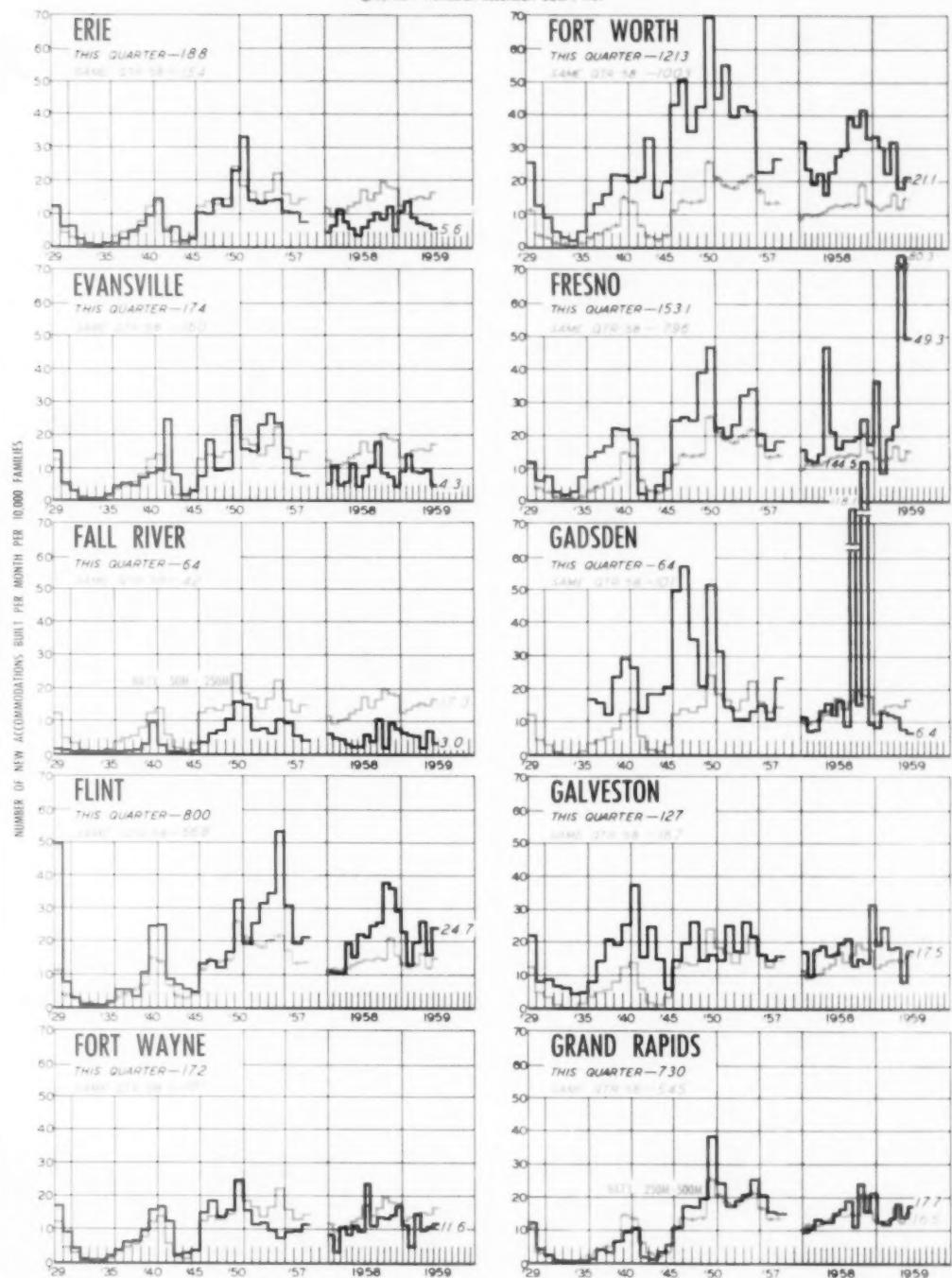
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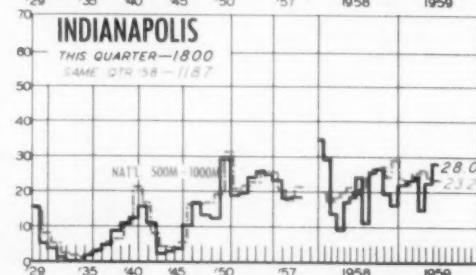
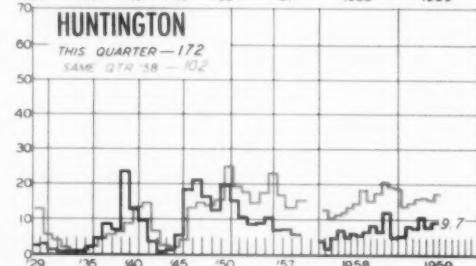
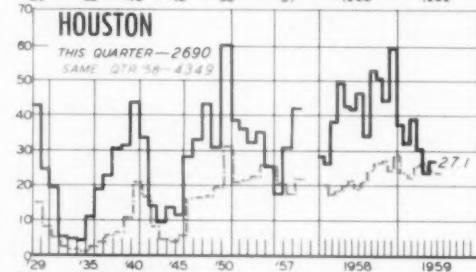
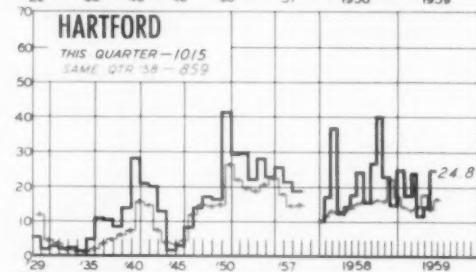
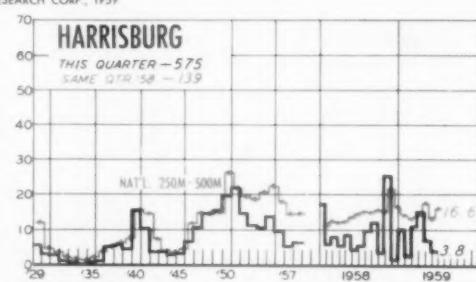
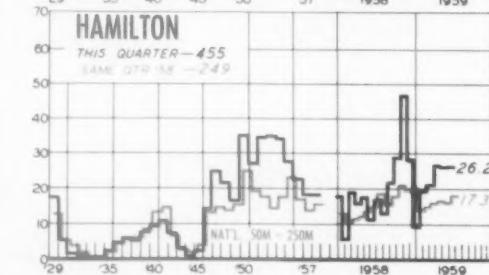
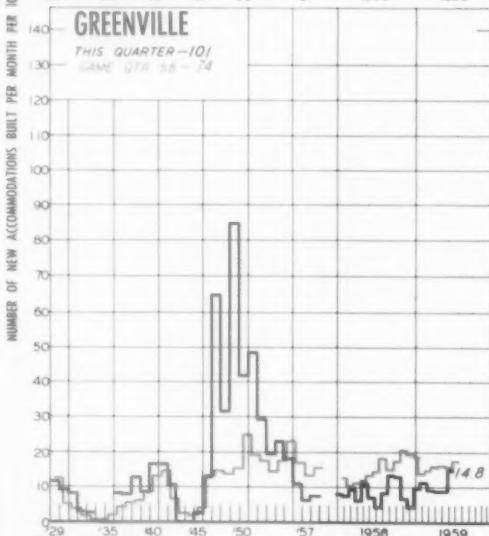
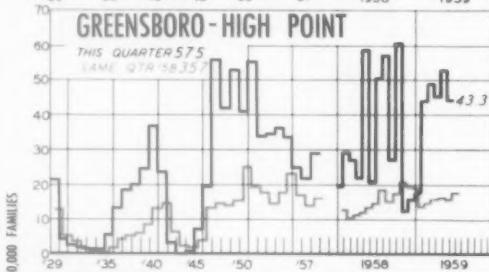
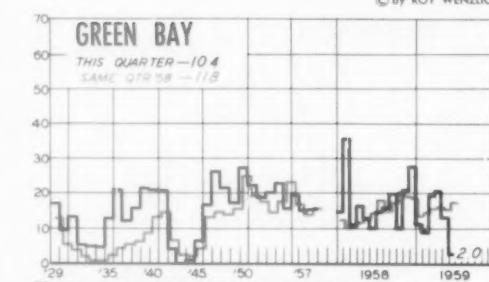
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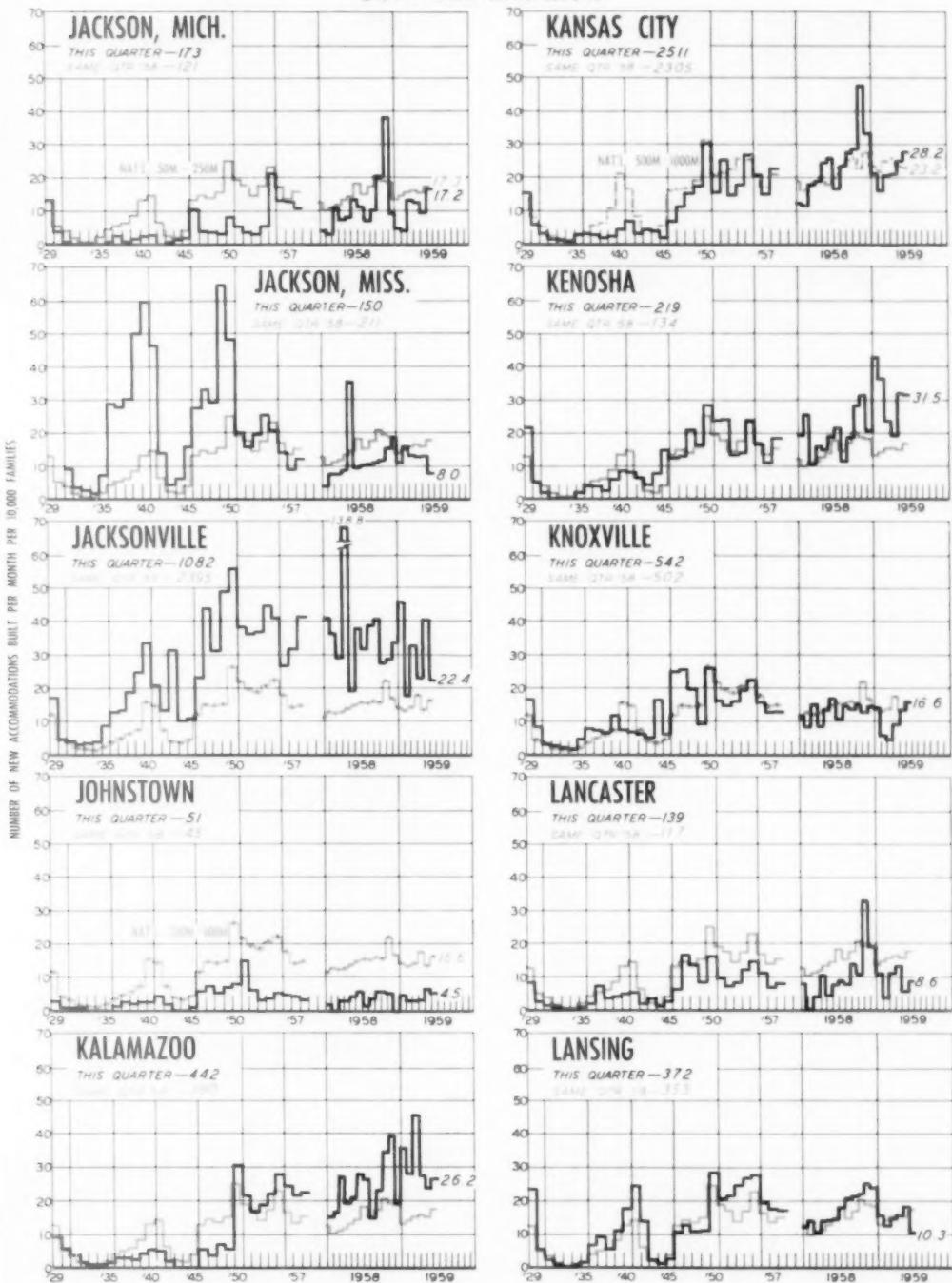
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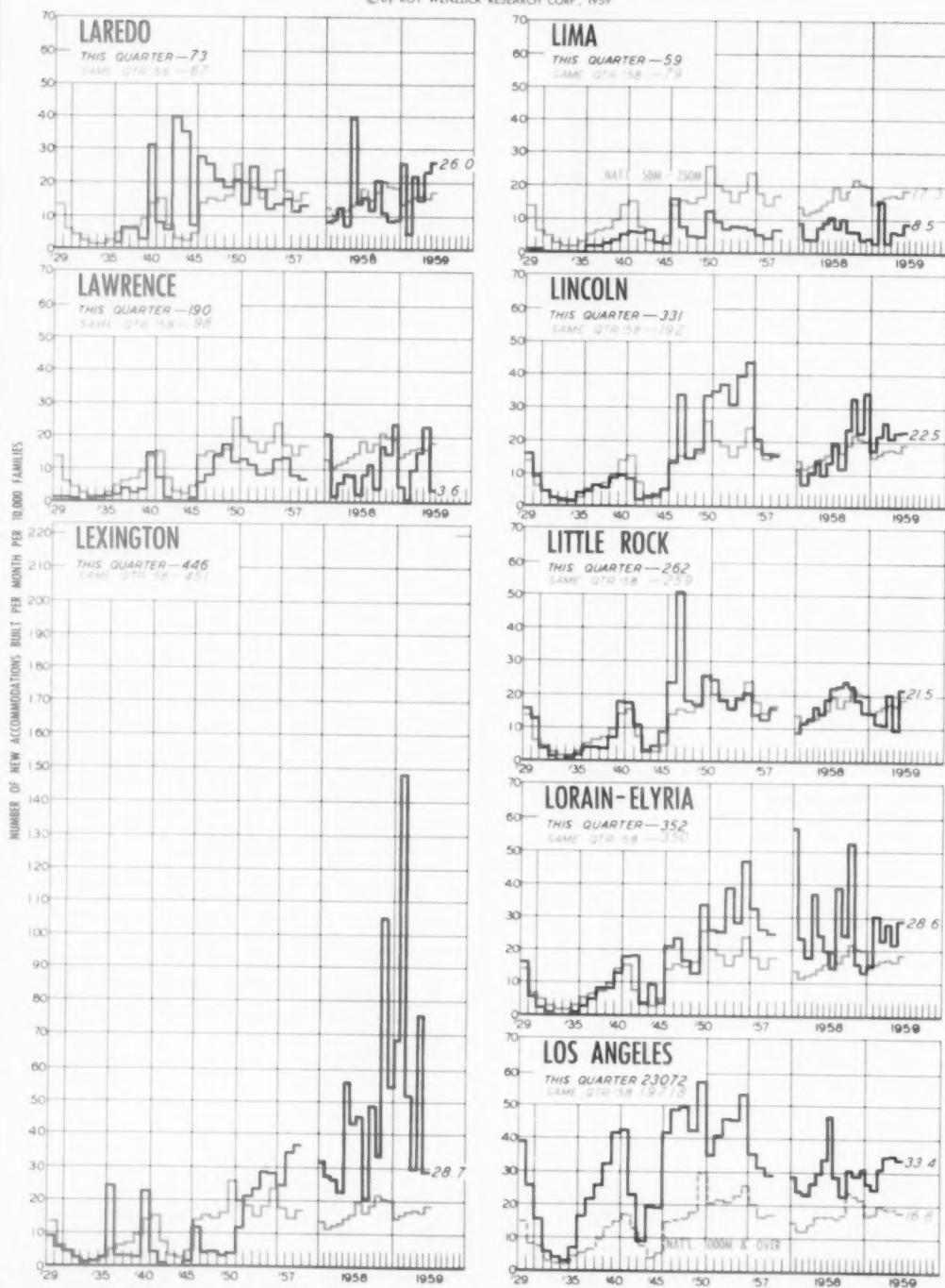
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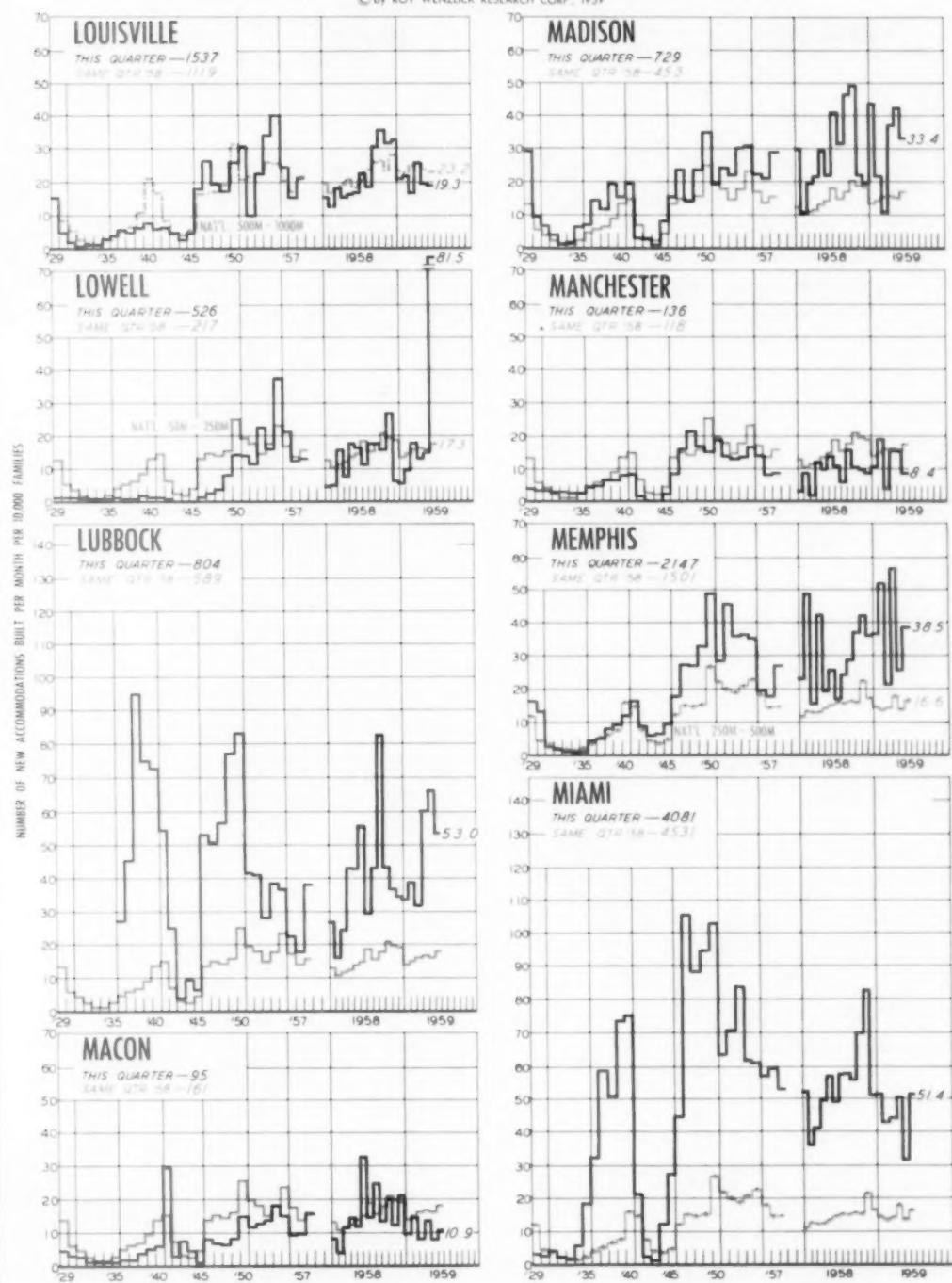
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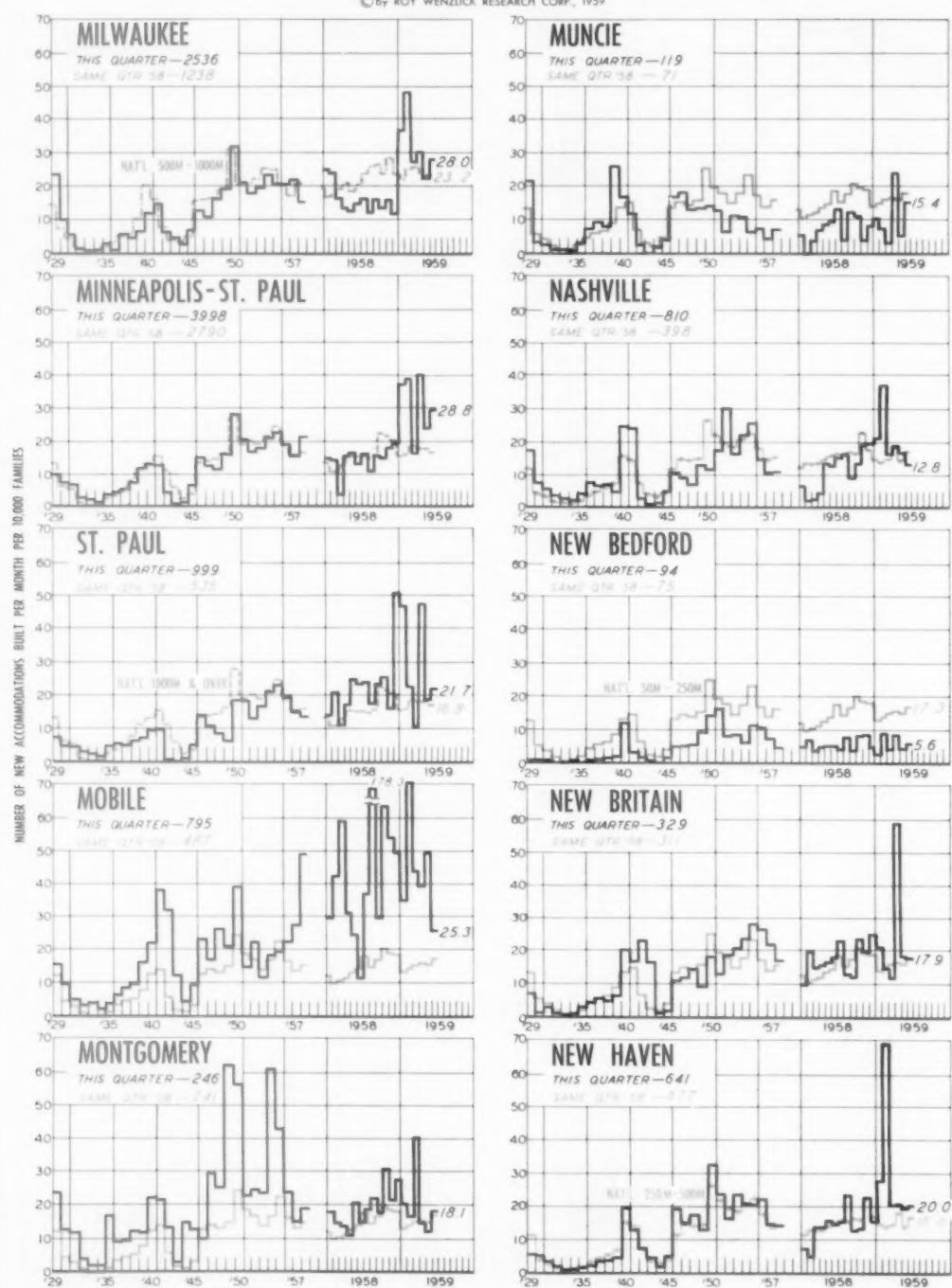
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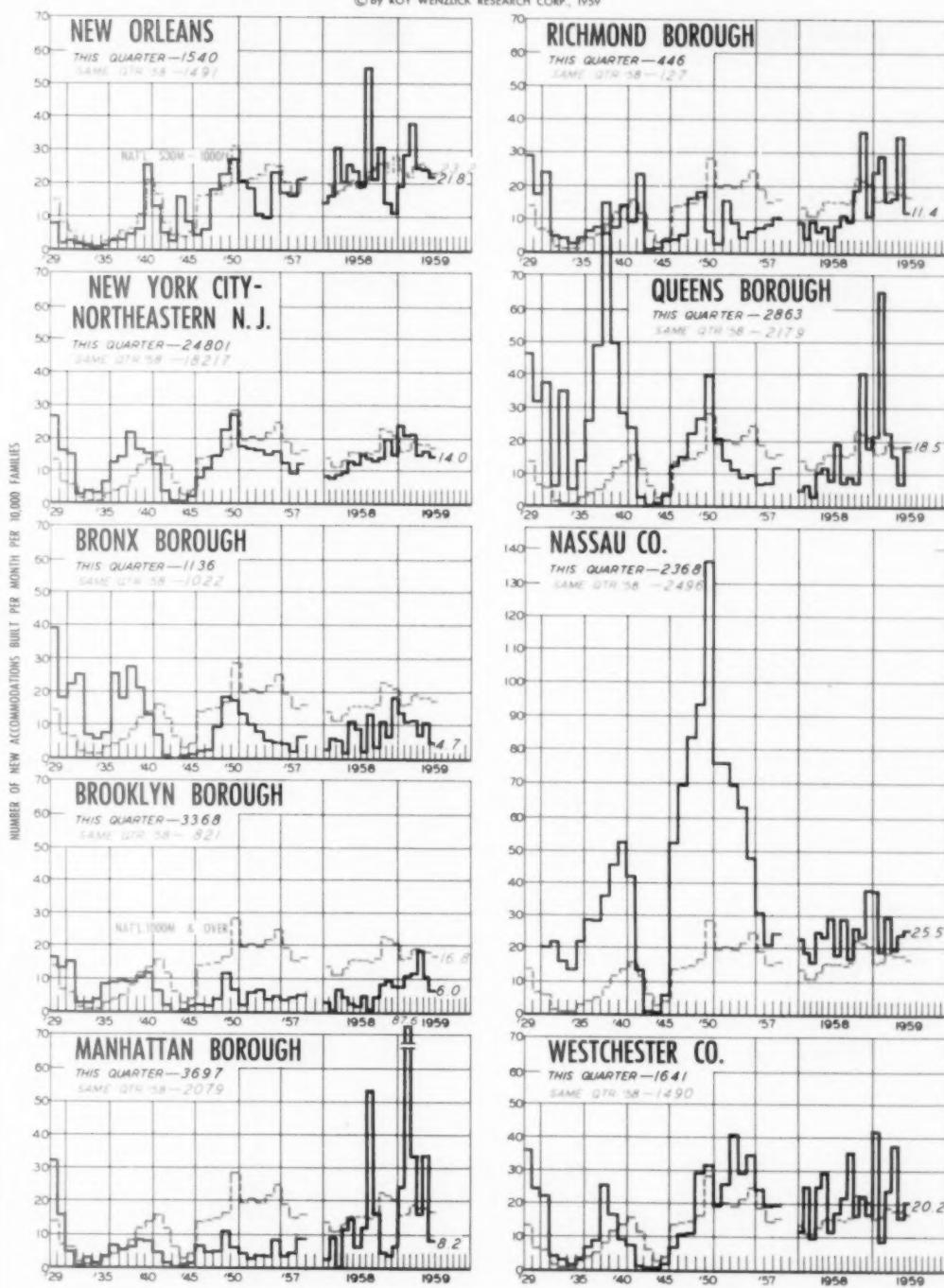
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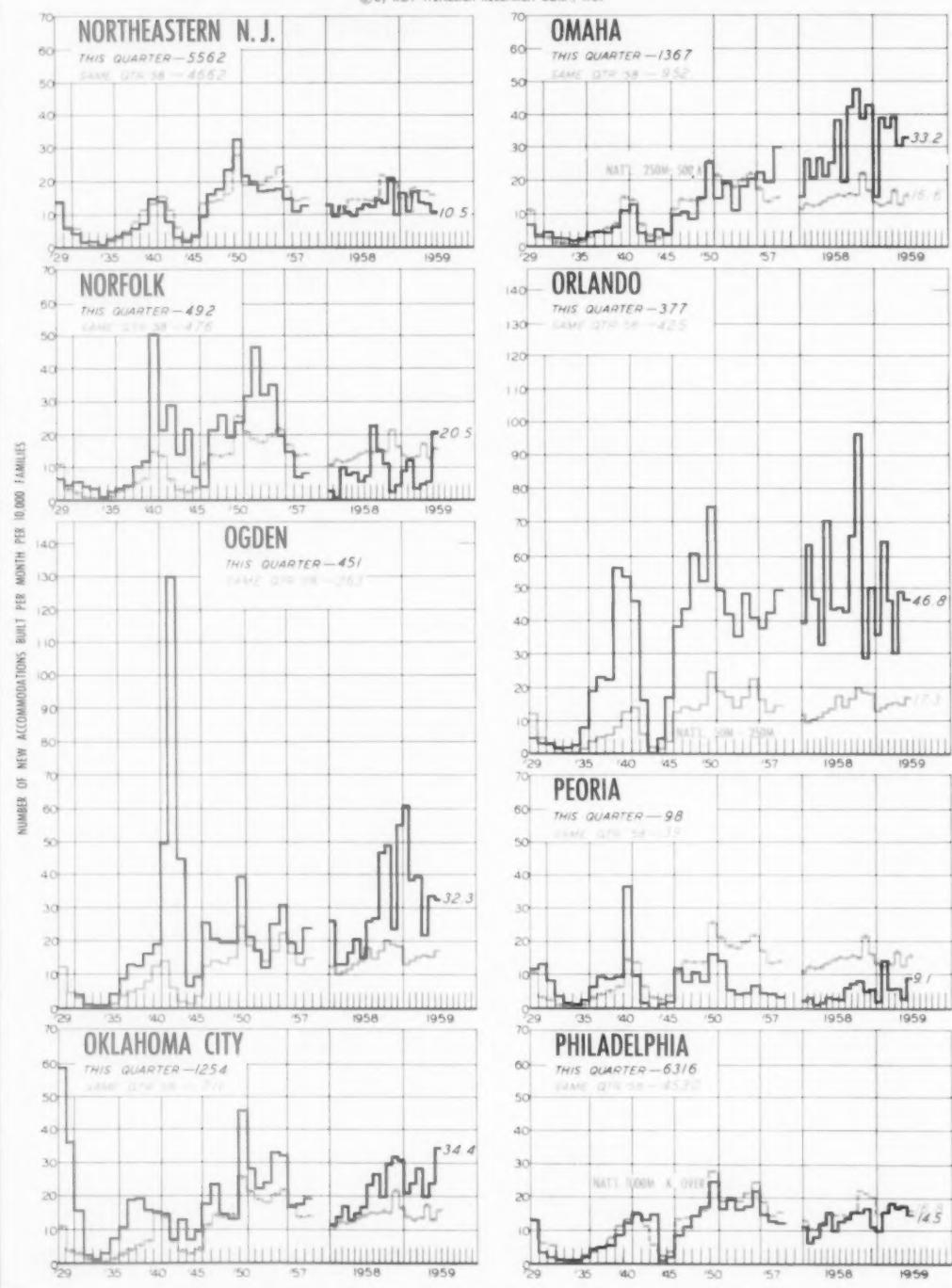
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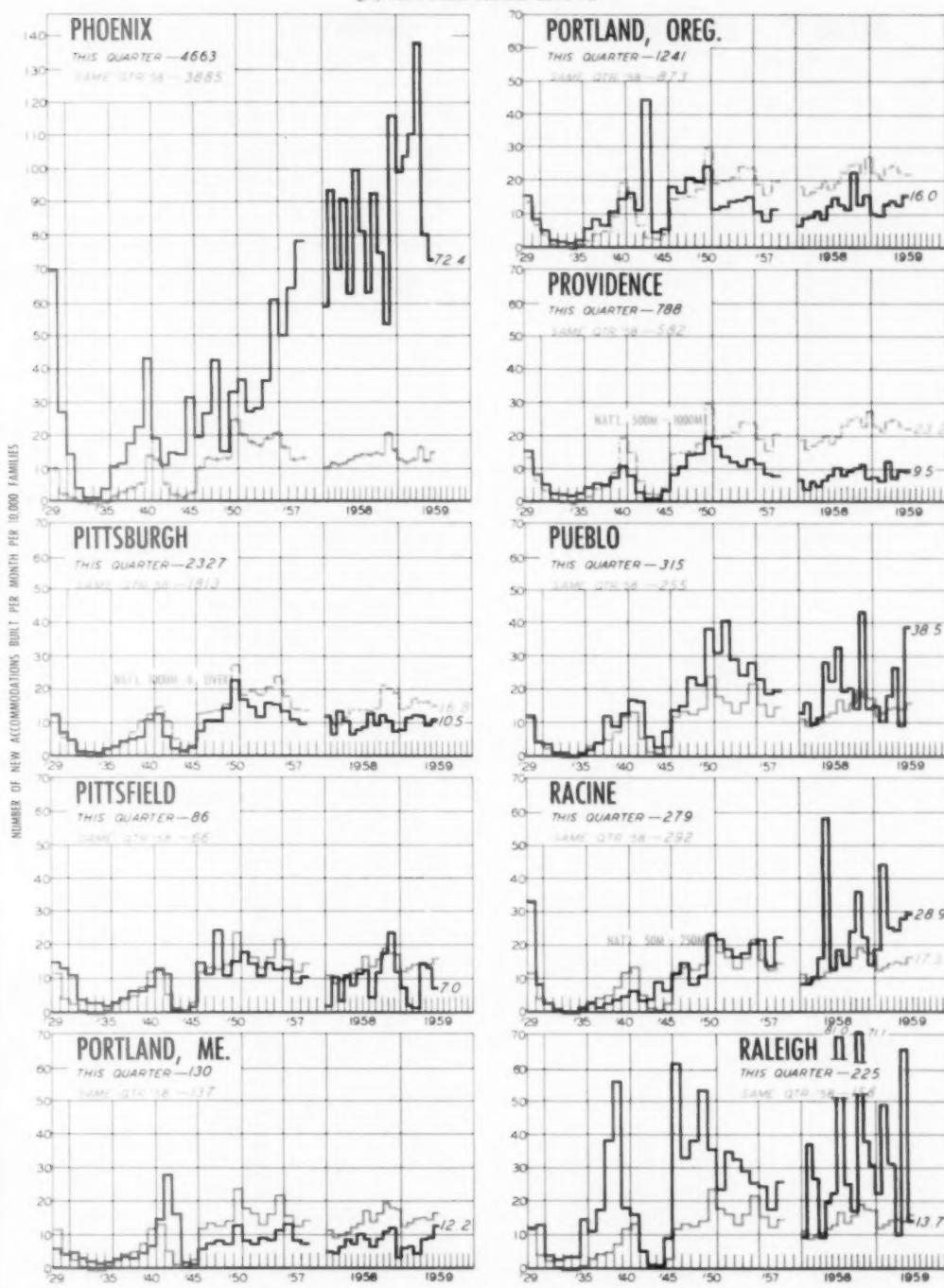
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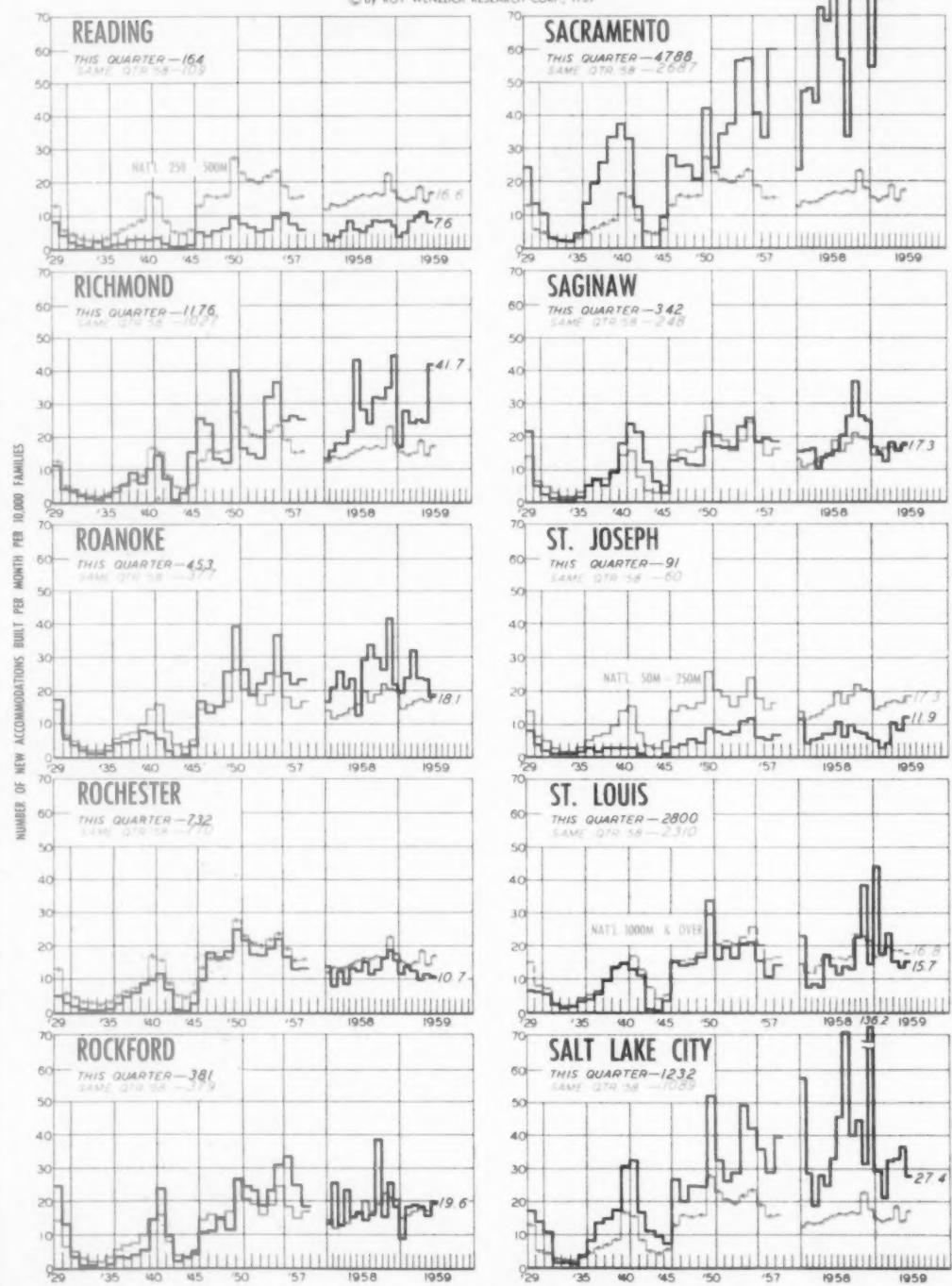
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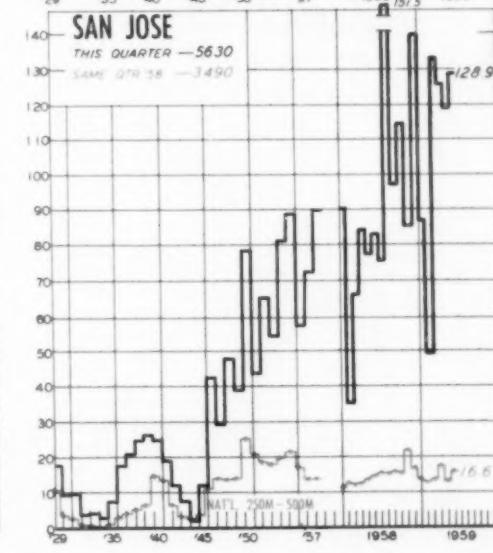
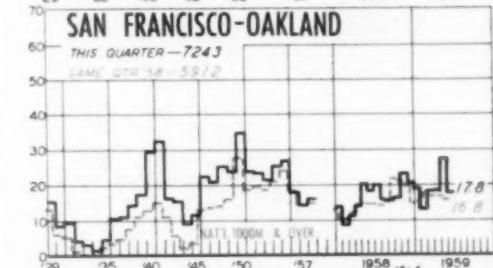
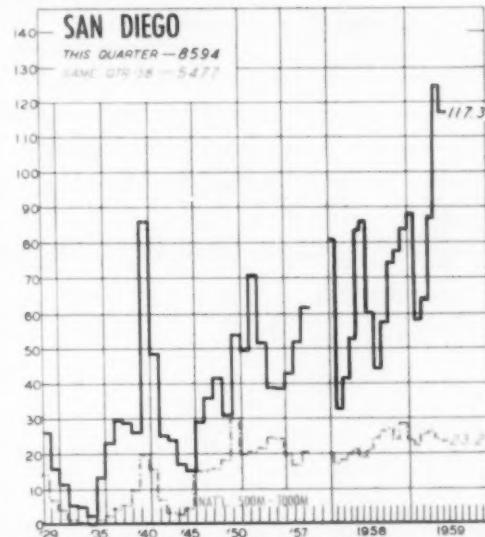
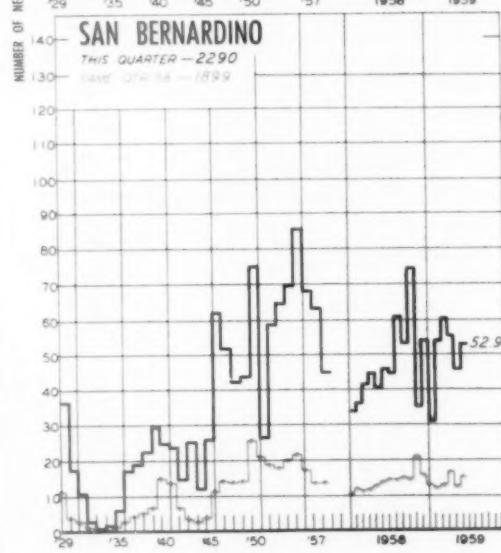
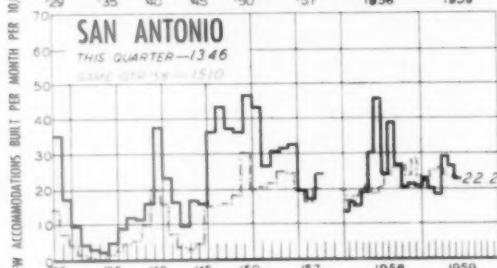
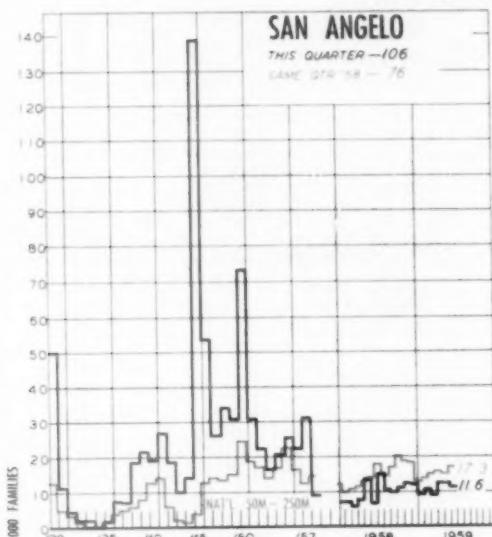
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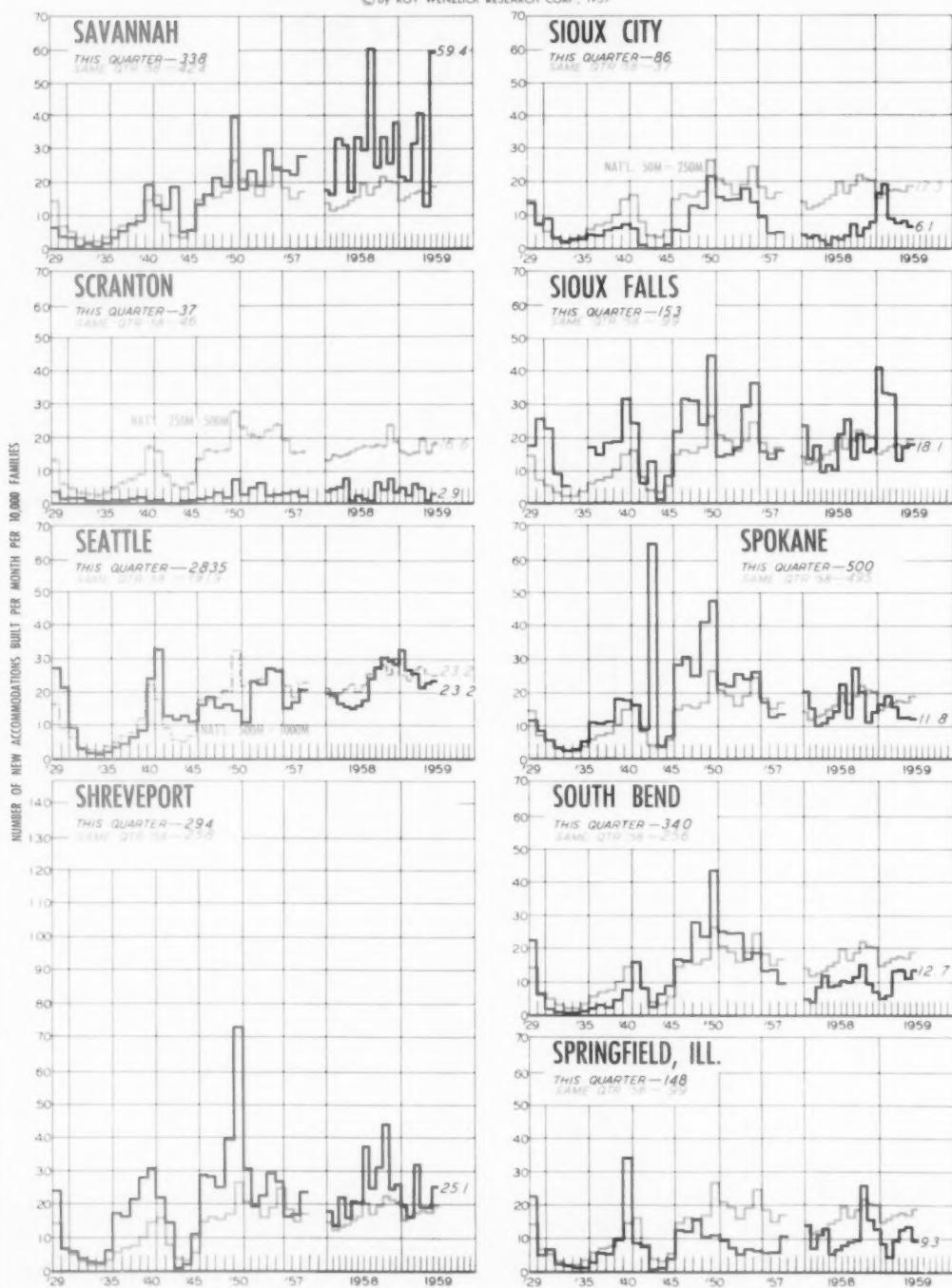
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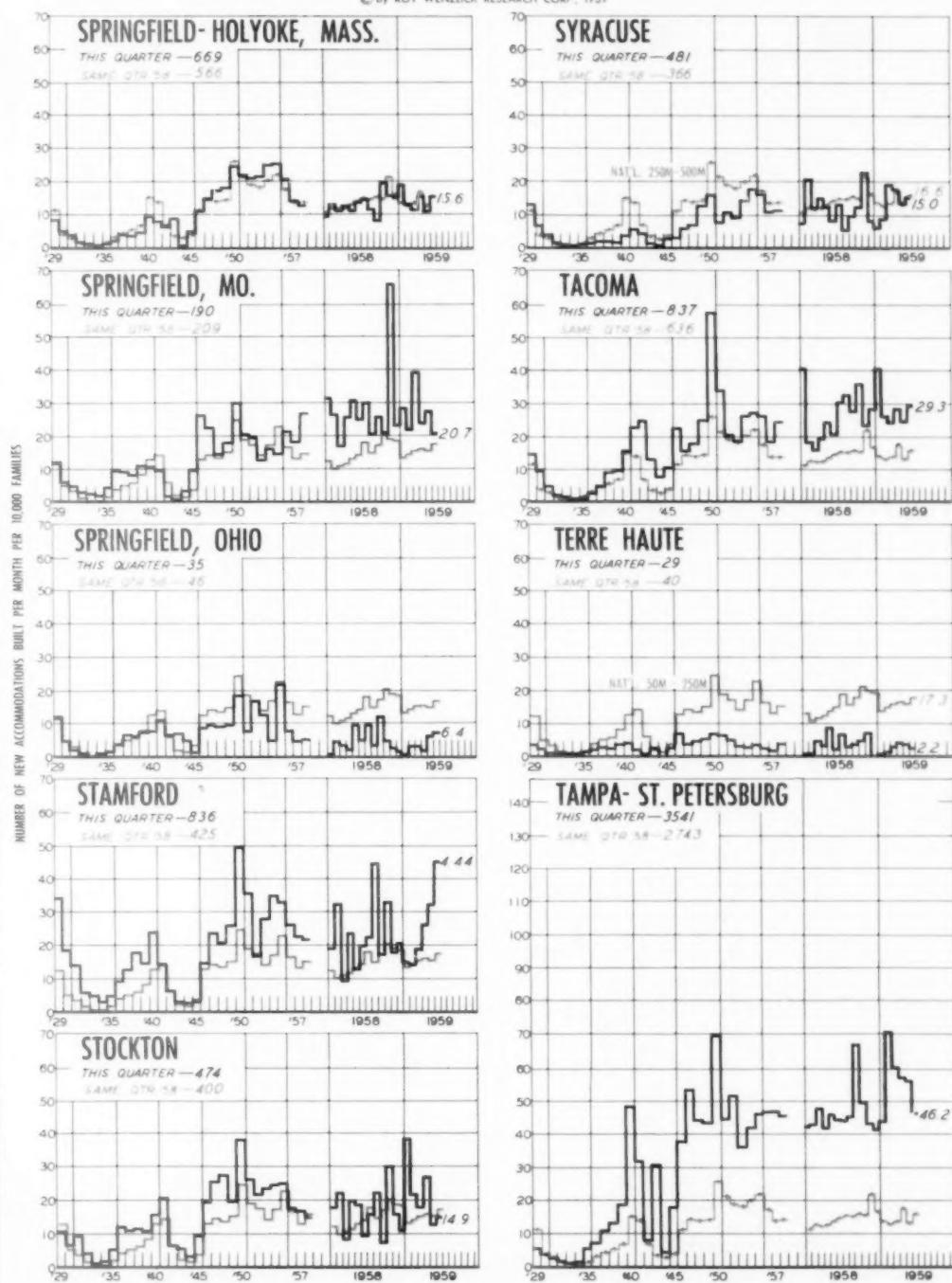
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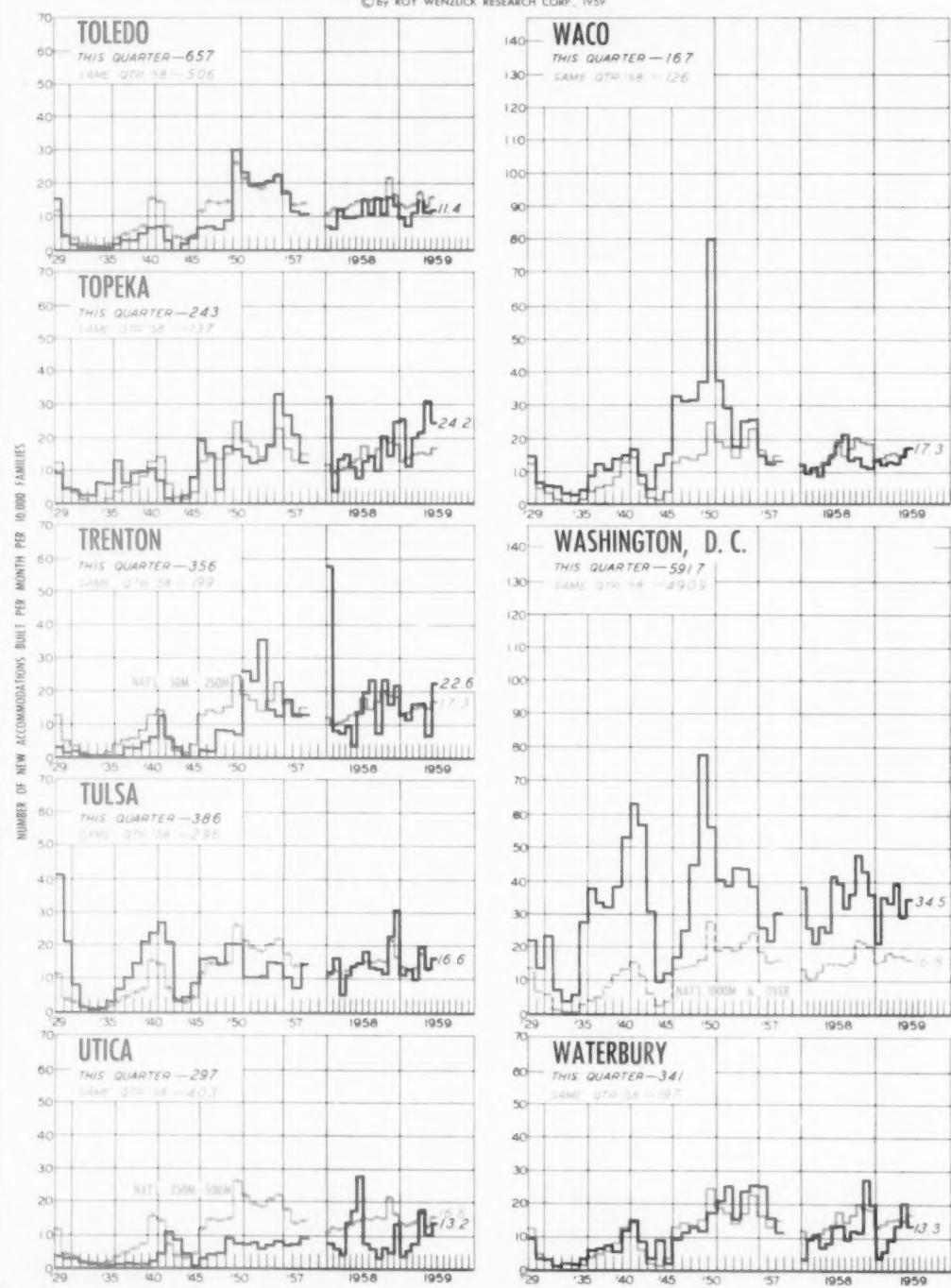
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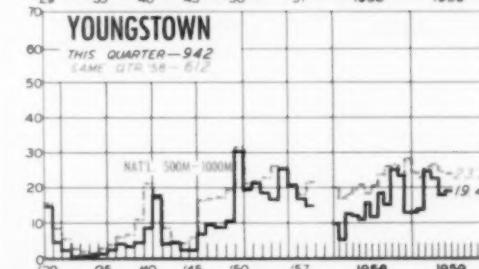
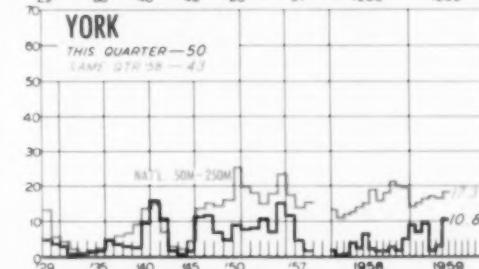
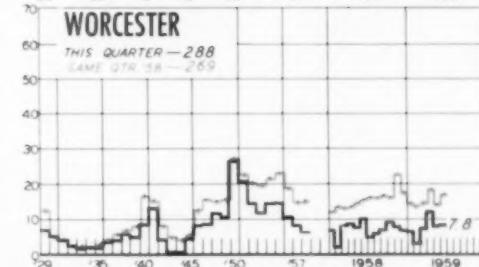
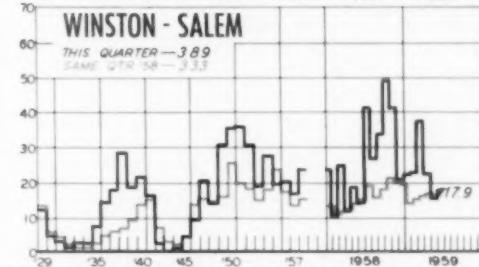
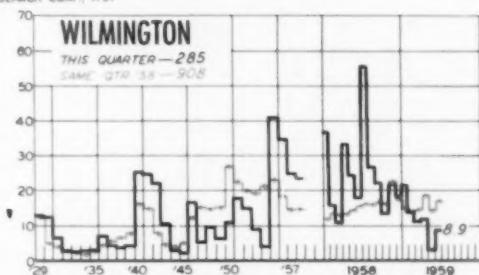
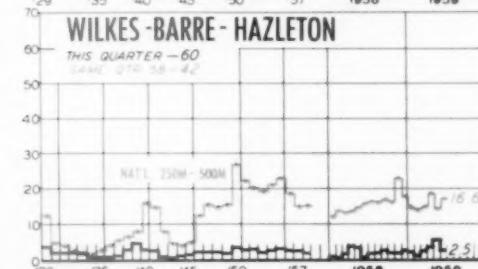
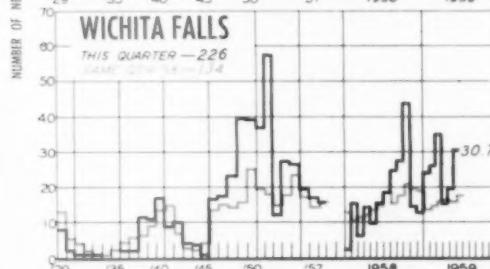
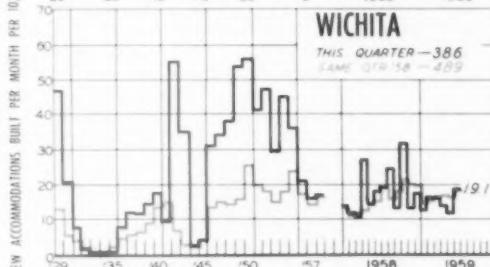
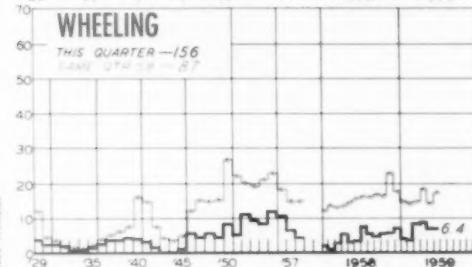
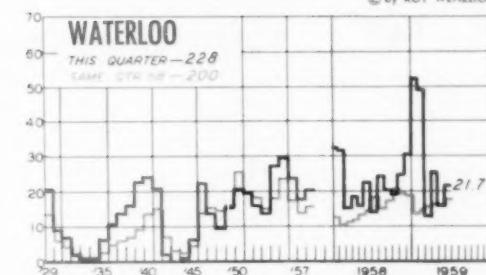
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(cont. from page 415)

	First 6 months 1958	1959	Increase or Decrease	Percent Change
Total nonfarm housing starts	536,000	718,400	182,400	34.0
Starts in metropolitan areas	361,800	488,900	127,100	35.1
Starts in nonmetropolitan areas	174,200	229,500	55,300	31.7
Publicly built	38,000	20,700	-17,300	-45.5
Privately built	498,000	697,700	199,700	40.1
1-family housing starts	432,100	563,000	130,900	30.2
2-family housing starts	17,800	27,100	9,300	52.2
Multifamily housing starts	86,100	128,000	41,900	48.6

This table shows that residential construction has increased more in metropolitan than in nonmetropolitan areas.

The increase in housing starts is due to an increase in privately built housing. Publicly built starts declined from 1958.

The final comparison shows that there has been a growth of multifamily housing. While total nonfarm housing starts increased 34 percent, multifamily dwelling starts increased 48.6 percent from last year. Multifamily starts still represent only 17.8 percent of total starts. This is an increase from 16.1 percent of total starts last year. The trend is upward, but is not close to the high of 31.8 percent in 1927 and 1928.

The following table brings the construction picture up to date. Construction has been better this year than in any other year except 1950 and possibly 1955. The tight money market and steel strike may cause a decline in the number of housing starts for the rest of the year. If starts slack off no more than they did for 1950 and 1955, however, we could finish this year with a total of 1,370,000 nonfarm dwelling units started.

Total New Nonfarm Dwelling Units Started
(in thousands)

	1950	1955	1958	1959
January	78.7	87.6	67.9	87.0
February	82.9	89.9	66.1	94.5
March	117.3	113.8	81.4	121.0
April	133.4	132.0	99.1	142.2
May	149.1	137.6	108.5	137.0
June	144.3	134.5	113.0	136.7
July	144.4	122.7	112.8	126.0
August	141.9	124.7	124.0	129.0
September	120.6	114.9	121.0	
October	102.5	105.8	115.0	
November	87.3	89.2	109.4	
December	93.6	76.2	91.2	
Annual	1,396.0	1,328.9	1,209.4	
First 8 months	992.0	943.4	772.8	973.4

